

Order

Michigan Supreme Court
Lansing, Michigan

October 3, 2006

Clifford W. Taylor,
Chief Justice

ADM File No. 2006-15

Michael F. Cavanagh
Elizabeth A. Weaver
Marilyn Kelly
Maura D. Corrigan
Robert P. Young, Jr.
Stephen J. Markman,
Justices

Amendment of
Rule 2.420 of the
Michigan Court Rules

On order of the Court, notice of the proposed changes and an opportunity for comment in writing and at a public hearing having been provided, and consideration having been given to the comments received, the following amendment of Rule 2.420 of the Michigan Court Rules is adopted, effective January 1, 2007.

[Additions are indicated in the text that follows by
underlining and deletions by strikeouts.]

Rule 2.420 Settlements and Judgments for Minors and Legally Incapacitated Individuals

(A) [Unchanged.]

(B) Procedure. In actions covered by this rule, a proposed consent judgment, settlement, or dismissal pursuant to settlement must be brought before the judge to whom the action is assigned and the judge shall pass on the fairness of the proposal.

(1) [Unchanged.]

(2) [Unchanged.]

(3) If a ~~next friend~~, guardian, or conservator for the minor or legally incapacitated individual has been appointed by a probate court, the terms of the proposed settlement or judgment may be approved by the court in which the action is pending upon a finding that the payment arrangement is in the best interests of the minor or legally incapacitated individual, but no judgment or dismissal may enter until the court receives written verification from the probate court, on a form substantially in the form approved by the state court

administrator, that it has passed on the sufficiency of the bond and the bond, if any, has been filed with the probate court.

- (4) The following additional provisions apply to settlements for minors.
- (a) If the settlement or judgment requires payment of more than \$5,000 to the minor either immediately, or if the settlement or judgment is payable in installments that exceed \$5,000 in any single year during minority, a conservator must be appointed by the probate court before the entry of the judgment or dismissal. The judgment or dismissal must require that payment be made payable to the minor's conservator on behalf of the minor. The court shall not enter the judgment or dismissal until it receives written verification, on a form substantially in the form approved by the state court administrator, that the probate court has passed on the sufficiency of the bond of the conservator.
- (b) If the settlement or judgment does not require payment of more than \$5,000 to the minor in any single year, the money may be paid in accordance with the provisions of MCL 700.5102.
- (5) [Unchanged.]

Staff Comment: The amendment of MCR 2.420 clarifies the requirement that the payment of proceeds may be made only to a conservator on behalf of a legally incapacitated adult or a minor entitled to more than \$5,000 in any one year during minority.

The staff comment is published only for the benefit of the bench and bar and is not an authoritative construction by the Court.



I, Corbin R. Davis, Clerk of the Michigan Supreme Court, certify that the foregoing is a true and complete copy of the order entered at the direction of the Court.

October 3, 2006

Corbin R. Davis
Clerk